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Message Text

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14
ORIGIN IO-03

INFO OCT-01 ISO-00 /004 R

66011
DRAFTED BY IO/SCT - LOU CAVANAUGH
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R 060234Z MAR 76
FM SECSTATE WASHDC
TO USMISSION IAEA VIENNA

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FOL REPEAT NEW DELHI 3258 ACTION SECSTATE 3 MAR.

QUOTE

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FOLLOWING TEL BOMBAY 0547 DTD 03 MAR 76 RCVD NEW DELHI
BEING REPEATED TO YOU. QUOTE

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EO 11652: NA
TAGS: TECH ENRG IN
SUBJECT: TARAPUR NUCLEAR FUEL EXPORT LICENSES

REF: STATE 49812

1. IN A TALK THIS MORNING (REPORTED SEPARATELY) WITH J.C.SHAH ARRANGED TO RECONCILE SETHNA'S STATEMENTS (RECORDED BOMBAY'S 505) WITH SHAH'S STATEMENTS (REPORTED DELHI'S 1777) CONCERNING RADIO-ACTIVITY FROM TAPS, SHAH NOTED THAT AS HE HAD SUSPECTED (REPORTED BOMBAQGJS 536), PETITION FOR INTERVENTION BEFORE NRC AGAINST ISSUANCE OF NUCLEAR FUEL EXPORT LICENSES TO INDIA WAS TRULY A BROADSIDE ATTACK ENCOMPASSING THE NON-PROLIFERATION ISSUE AS WELL AS HEALTH AND SAFETY FACTORS. HE SAID THAT INFORMATION HE HAD
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HEARD IN RADIO REPORTS INDICATED THAT RESOLUTION OF THIS PROBLEM

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WOULD BE DIFFICULT AND WOULD ALMOST CERTAINLY RESULT IN FURTHER DELAYS IN ISSUANCE OF LICENSES, WHICH WOULD NOT ONLY BE COSTLY IN TERMS OF FINANCING PRODUCTION LINE AT HYDERABAD NFC BUT MIGHT ACUTALLY CAUSE A SHUTDOWN IN TARAPUR POWER REACTORS WHICH WOULD CERTAINLY HAVE SEVERE EFFECTS ON INDUSTRIAL PRODUCTION AND EMPLOY-MENT IN AN ALREADY ECONOMICALLY DEPRESSED WESTERN INDIA. I EXPLAINED GRAGILITY OF FIGURES ON INSTALLED GENERATING CAPACITY IN WESTERN INDIA, WHICH I HAD ALREADY SENT TO WASHINGTON, (BOMBAY'S 493) AND HE PROMISED TO HAVE HIS PEOPLE QUICKLY PROVIDE THE BEST POSSIBLE STATEMENTS OF INSTALLED GENERATING CAPACITY IN THE STATES OF GUJARAT AND MAHARASHTRA WHICH, OF COURSE, ARE BOTH SERVICED BY TARAPUR. HE ALSO SAID THAT HE WOULD PROVIDE SOME DATA TO POINT UP THE CRITICAL ROLE THE TARAPUR STATION PLAYS AS THE ONLY LINK BETWEEN THE TWO INTRA-STATE GRIDS. I WILL-, OF COURSE, RUSH THIS DATA TO WASHINGTON AS SOON AS RECEIVED.

2. HE THEN SAID THAT HE HAD SPENT THE MORNING DISCUSSING WITH IAEC LAWYERS AND FOREIGN RELATIONS EXPERTS THE ROLE THE IAEC SHOULD PLAY WITH RESPECT TO THE INTERVENTION PETITION NOW BEFORE THE NRC. HE NOTED THAT AS AN INTERESTED PARTY, THE GOVERNMENT OF INDIA MIGHT WELL WISH TO MAKE A DEPOSITION IF PUBLIC HEARINGS ARE HELD. HE SAID THAT GIVEN CHAIRMAN SETHNA'S PREFERENCE TO PUT THE IAEC CASE IN HIS OWN WORDS, THIS CHOICE WOULD CERTAINLY HAVE A WIDE APPEAL IN SOME INDIAN CIRCLES. HE ALSO NOTED THAT HIS LAWYERS HAD POINTED OUT THAT THE IAEC HAS A VALID CONTRACT FOR THE SUPPLY OF FUEL AND COULD CONCEIVABLY SUE IN AN AMERICAN COURT FOR THE ENFORCEMENT OF THAT CONTRACT. HE SAID HE WAS MENTIONING THESE POINTS TO ME IN ORDER TO GIVE ME AN IDEA OF THE SERIOUSNESS WITH WHICH THE GOVERNMENT OF INDIA MUST INEVITABLY VIEW ANY FURTHER DELAYS IN THE RECEIPT OF ITS NUCLEAR FUEL. IT CANNOT ASSUME A PASSIVE ROLE WHEN THOUSANDS OF JOBS ARE THREATENED. MOREOVER, THE IAEC AS AN INSTITUTION HAS A HEAVY STAKE IN DEMONSTRATING THAT NUCLEAR POER REACTORS ARE A RELIABLE SOURPA OF CONTINUOUS POWER, SO IT WILL NOT WANT TO STAND BY QUIETLY WHILE ONE OF THE VERY PREMISES OF ITS PROGRAM IS ATTACKED.

3. HE CAUTIONED ME, HOWEVER, NOT TO INTERPRET HIS REMARKS AS INDICATING THAT THE IAEC HAS ALREADY NARROWED DOWN ITS LIST OF CHOICES AND HAS ALREADY DETERMINED TO TAKE A STRONG PUBLIC POSITION ON THIS ISSUE. HE SAID THAT BEFORE ANY DECISIONS ARE LIMITED OFFICIAL USE

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MADE, IAEC WILL WANT TO CONSULT CLOSELY WITH THE INDIAN EMBASSY IN WASHINGTON ABOUT THE FOREIGN RELATIONS IMPACT OF WHATEVER IS DONE AND ALSO ABOUT AMERICAN PROCEDURES AND PRACTICES, SO THAT THEY DO NOT NEEDLESSLY AFFRONT ANY OF OUR SENSIBILITIES. BUT HE SAID THAT PROBABLY THE MORE IMPORTANT CONSIDERATION IN WHATEVER COURSE IS EVENTUALLY CHOSEN WILL BE THEIR DETERMINATION TO DEMON-STRATE THE IMPORTANCE THAT THE IAEC ATTACHES TO MAINTAINING A CLOSE COOPERATIVE RELATIONSHIP WITH THE US GOVERNMENT IN THE

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NUCLEAR FIELD. HE RE-EMPHASIZED IN CLOSING THIS PART OF OUR DISCUSSION THAT THE CONTINUATION AND STRENGTHENING OF THIS RELATIONSHIP WAS MORE IMPORTANT TO THE IAEC THAN ANY OF THE OTHER FACTORS HE HAD MENTIONED. HE HOPED THAT THE USGOVERNMENT WILL APPRECIATE THE PRESSURES THAT WILL INEVITABLY FALL ON THE IAEC TO TAKE SOME SORT OF STRONG, OPEN ACTION TO ASSURE THE SUPPLY OF NUCLEAR FUEL, WHICH OF COURSE WAS A CRITICAL FACTOR IN ITS DECISION TO BUILD THE TARAPUR REACTOR IN THE LATE 1960'S.
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